

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

In re: CONGOLEUM CORPORATION,

Debtors.

Civil Action No. 09-4371
(JAP)

Bankr. Case No. 03-51524

**SUPPLEMENTAL DECLARATION OF HOWARD N.
FEIST, III IN SUPPORT OF CONFIRMATION OF
THE FOURTH AMENDED JOINT PLAN**

HOWARD N. FEIST, III, under penalty of perjury, hereby declares as follows:

1. I am the Chief Financial Officer for Congoleum Corporation (“Congoleum” or the “Company” and together with Congoleum Sales, Inc., and Congoleum Fiscal, Inc., the “Debtors”). I submit this declaration in support of the accompanying Debtors’ Supplement to Memorandum of Law in Support of Confirmation of the Fourth Amended Joint Plan (the “Supplemental Confirmation Brief”).¹ Except where otherwise indicated, I make this declaration on personal knowledge that I gained during the performance of my duties on behalf of Congoleum, or on a review of Company business records or the papers filed in this matter.

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Supplemental Confirmation Brief.

2. In conjunction with confirmation of the Plan, Congoleum prepared cash flow projections based on the new capital structure of the Plan, the proposed Exit Facility, New Senior Notes and projections of Reorganized Congoleum's business over the next five years. I provided such cash flow projections to SSG Capital Advisors, LLC to prepare a feasibility report.

3. The cash flow projections are based on certain assumptions, including (i) a \$40.0 million revolving credit facility from Wells Fargo Capital Finance, subject to various terms, that will provide Reorganized Congoleum with the necessary credit for its continued operations, and (ii) \$33 million of New Senior Notes with an interest rate of 9% (no interest due for the first six months after the Effective Date) that mature on December 31, 2017.

4. The cash flow projections also assume a proposed promissory note in the principal amount of \$7.7 million related to certain legal fees that will be amortized in six quarterly payments of 8.33% of the original principal amount starting at the end of the first quarter after the Effective Date followed by four quarterly payments of 12.5% of the original principal amount. Congoleum is in discussions with all of the legal professionals for the Debtors, Asbestos Claimants' Committee, Bondholders' Committee and Futures Representative with respect to such Note.

5. The Plan comprehensively restructures the Debtors' balance sheet and conclusively addresses the Debtors' liability for Asbestos Claims. As a result, the Debtors will emerge from bankruptcy with less debt and free of any past, present or future asbestos liability, which will be channeled to the Plan Trust. Based on the Company's own cash flow projections, the cash and liquidity that will be available to Reorganized Congoleum from its business operations and from the Exit Facility will be sufficient to meet its other financial obligations under the Plan and provide adequate working capital for Reorganized Congoleum's businesses. Confirmation of the Plan is therefore not likely to be followed by the liquidation of, or the need for further financial reorganization of Reorganized Congoleum or any successor to Reorganized Congoleum under the Plan.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 27, 2010.


